

INSTRUCTIONS
For Preparation of the

2005-2007
BIENNIAL
BUDGET REQUEST



STATE AGENCIES

DEPARTMENT OF FINANCE & ADMINISTRATION
OFFICE OF BUDGET

TABLE OF CONTENTS

	<u>Page</u>
Executive Policy Statement - Governor Mike Huckabee	1
Budget Calendar	4
Budget Forms Descriptions	5
General Information	7
Agency Narrative Instructions	14
History & Organization Example.....	16
Program Commentary Example	17
Change Level Justification Example.....	18
Employment Summary Form Instructions	19
Example	20
Cash Fund Balance Description Form Instructions	21
Example	23
Office of Information Technology Oversight Form Instructions	24
Example	25
State Agency Publications Form Instructions	26
Example	27
Change in Fee Schedule Form Instructions	28
Example	29
Special Language Form Instructions	30
Example	31
Certification of Income Form Instructions	32
Example	33

ALL FORMS ARE AVAILABLE ON THE DFA - OFFICE OF BUDGET WEB SITE

www.accessarkansas.org/dfa/budget

MEMORANDUM

TO: All State Agency Directors

FROM: Governor Mike Huckabee

DATE: May 17, 2004

SUBJECT: Executive Policy Statement for Preparation of the 2005-2007
Biennial Budget Request

Each agency has developed its annual operations plan for the 2005 fiscal year. We must now prepare the budget requests for the 2005-2007 biennium.

The May 4, 2004 forecast revision for the current fiscal year keeps spending at \$3,526.0 million and funds all allocations of the Revenue Stabilization Law. The official forecast of net general revenue for the 2005 fiscal year is \$3,629.9 million, which also funds all allocations. Early predictions for the next biennium reflect growth at 3 percent or less. It is very likely that any growth we have for the 2005-2007 Biennial Budget, will not be sufficient to meet all anticipated needs. Federal funding over the next three years will be volatile at best as the federal government continues to deal with the war on terrorism and addresses the deficit.

New laws passed during the special session on education have dramatically changed the way state budgets will be funded in the future. Act 108 of the 2nd Extraordinary Session of 2003 provides for an Educational Adequacy Fund and establishes a funding priority for public education. Expected demands on the state budget will exceed available resources and this biennial budget cycle comes on the heels of significant tax increases to address education and the current budget. As you prepare budgets for the 2005-2007 biennium, I am asking that you prepare base level budgets only. Requests for additional funds should be made only under dire circumstance with an immediate impact on the health and safety of citizens. As in the past, I plan to provide for a payplan increase for state employees. Reallocation of existing resources can often address perceived needs within the base level.

Please keep the following in mind as you prepare your budget requests:

- Pay close attention to your budget for information technology and the resources needed to address them. I have asked the Executive Chief Information Officer (ECIO) to work with you as we develop and implement the state's technology plan. I need your cooperation in this endeavor as I continue moving the state towards the benefits of e.government.
- Identify programs in your agencies that are good candidates for elimination. Ask yourself, "If I knew all the state taxes I pay were going straight into this program's budget, would I feel like I was getting my money's worth?" A program can be eliminated if its services are no longer needed, if the funding level is so low as to be ineffective or if existing programs already meet the need. Seek better ways of addressing needs particularly where you can work with other state agencies to more efficiently administer a program.
- Finance new initiatives or mandates through internal reallocation of resources. We must use what we have more efficiently, not ask for more money. Taxpayers are burdened enough.
- Provision of a graduated COLA increase similar to the current biennium's, of 3% to 1.5% each year will be included in the Base Level request for each agency. For those of you with non-classified positions (Grade 99 and/or Grade 66), the same increase will be applicable. I may, however, make subsequent executive recommendations on Grade 99 and 66 positions. This continues my commitment to protect state employees from inflation. I ask that you make no reclassification or upgrade requests in your 2005-2007 biennial budget request unless absolutely necessary to maintain your agency's mission. The Career Ladder Incentive Program (CLIP) will continue to provide the means for rewarding employees for excellent work.
- Those agencies with programs funded from the Education Excellence Trust Fund and the Workforce 2000 Development Fund should be aware that I will continue to endorse the integrity of these funds in the budget presented to the Legislature in the fall. Growth in the Educational Excellence Fund should fall in the range mentioned above. Growth in the Workforce 2000 Development has unfortunately been trending downward in recent years. Budget requests should be made accordingly.

State Agency Directors

May 17, 2004

Page 3

- Those agencies participating in performance budgeting will receive more detailed instructions from the DFA – Office of Budget in preparing your biennial request. I want to emphasize my continued support of the Performance Budgeting and Accountability System (PBAS). Ten agencies are completing their first biennium under performance based budgets and an additional twenty-four will use performance budgeting for the 2005-2007 biennium.
- Estimates of available construction funding for the next biennium are extremely low. The current interest rate environment will continue to weaken the available funds for capital projects. Several significant mandatory debt obligations must continue to be funded from the General Improvement Fund, leaving the remainder in no way sufficient to meet the many needs. Our priorities should be maintaining and repairing what we have rather than embarking on new construction.

It is critically important that we present well-reasoned and supportable budget requests to the General Assembly this Fall. I hope each of you will be meticulous and timely in submitting your budget requests. Developing the state budget is an extremely complex undertaking. The deadlines must be met so that we can organize and pursue support of our overall program during the 85th General Assembly.

MH:fms:lh

BUDGET CALENDAR 2005-2007 BIENNIUM DUE DATES

BUDGET PREPARATION

2004

FY05 Annual Operations Plan	May 14
Distribute Biennial Budget Instructions Packet and Special Language	May 17
Initial Budget Reports with "Base Level" Available	June 7
All Personnel Requests to OPM	June 28
All Change Level Requests	July 12

AGENCY NARRATIVES / FORMS

History & Organization Narrative	July 12
Agency Program Commentary	July 12
Special Language Request	July 12
Cash Fund Balance Description	July 12
State Publications Listings	July 12
Change in Fee Schedule	July 12
Certification of Income	July 12
Employment Summary Report	Sept. 3

CAPITAL PROJECTS REQUESTS

Instructions and Forms Distributed	June 14
Requests from Agencies	Oct. 4

HEARINGS SCHEDULE

Executive	Aug./Sept.
Legislative	Oct./Nov.

BUDGET FORMS DESCRIPTIONS FOR THE 2005-2007 BIENNIUM

AGENCY HISTORY & ORGANIZATIONAL CHART (INCLUDING ENABLING LAWS)	Prepared by state agencies, boards and commissions. Includes current appropriation act(s) and citation of various laws that authorize the Agency's activities, mission statement(s), history and organizational structure, and describes the scope, function and public benefit derived.
AGENCY COMMENTARY	Prepared by the agency explaining the budget request for the entire agency.
AUDIT FINDINGS	Prepared by the Division of Legislative Audit based upon findings reflected in the most recent audit.
EMPLOYMENT SUMMARY	Prepared by the DFA - Office of Personnel Management and verified by the agency or department to summarize the current (2004-2005) employment classifications pursuant to A.C.A §19-4-307.
CASH FUND BALANCE DESCRIPTION AS OF JUNE 30, 2004	Prepared by the agency giving an accurate account of fund balance amounts, holding locations, statutory restrictions and provisions, necessity for and planned expenditures of cash fund balances.
INFORMATION TECHNOLOGY PROJECTS RECOMMENDED FOR OVERSIGHT	Prepared by the Office of Information Technology if an agency does not file a technology plan.
PUBLICATIONS	Prepared by the agency providing a list of publications required by law. (A.C.A. §25-1-204)
CHANGE IN FEE SCHEDULE	Prepared by any agency requesting a change in a fee(s) levied for the support of agency.

DEPARTMENT APPROPRIATION/PROGRAM SUMMARY	Prepared by the DFA – Office of Budget and serves as a summary document with all the appropriations/programs presented in the biennial budget manual for the agency including the Executive Recommendation.
ANALYSIS OF BUDGET REQUEST	Prepared by the DFA - Office of Budget and explains the agency request and the Executive Recommendation for each appropriation.
APPROPRIATION/PROGRAM SUMMARY	A series of forms that reflect financial data by appropriation for Historical (2003-2004 actual expenditures and 2004-2005 budgeted), the Agency Request for Fiscal Years 2005-2006 and 2006-2007, and the Executive Recommendation for both request years.
CHANGE LEVEL JUSTIFICATION	Reflects both financial data and justification for increases and/or decreases requested by the agency from the 2005-2007 Base Level with the relative importance of each request.
PERSONAL SERVICES SUMMARY FOR POSITION/CLASSIFICATION REQUESTS	Reflects detail of all positions requested by the agency and recommended by the Executive with separate reports for Current Positions, New Positions, Unclassified Positions and Classification requests.
COMMITMENT ITEM DETAIL	Reflects detail financial data relating to the request made by the agency for non-salary line items.
SPECIAL LANGUAGE REQUEST FORM	Reflects requests for continuation or changes to language contained in the 2003 Appropriation Acts and the Executive Recommendation on the changes. Also reflects new language requested by the agency and the Executive Recommendation. Language is presented in marked-up format.

GENERAL INFORMATION

This instruction packet addresses significant aspects of the budget process for the 2005-2007 biennium. All agencies will utilize the Performance Budgeting and Accountability System (PBAS) to prepare their biennial budget request. For the 2005-2007 biennium, agencies will coordinate entry of their biennial request with the Office of Budget analyst assigned to assist their agency. Agencies will be allowed access to the system for preparation of the 2007-2009 biennial budget request.

This informational packet includes a calendar, instructions and examples of the various forms agencies will need to complete their biennial budget request. **Please review this packet carefully, especially the budget calendar which outlines the specific dates agencies are required to submit information to the DFA - Office of Budget. It is imperative that the deadlines be met if your request is to be ready for the Executive and Legislative phases of the process.**

If you need additional information or require assistance, please contact the Budget Analyst assigned to your agency at 682-1941.

BASE LEVEL / CHANGE LEVEL REQUESTS

The projection of the FY05 Annual Operations Plan into the next biennium is referred to as "BASE LEVEL." All operating Commitment Items except Capital Outlay will be carried forward at the FY05 budgeted amount. Capital Outlay items must be requested on an item-by-item basis. Lease purchases budgeted as Capital Outlay **will** be carried forward in the Base Level.

For those agencies preparing a Performance Based Budget, the total Program amounts as established in the FY05 AOP will be carried forward as the Base Level for the next biennium.

The designation used in the 2005-2007 biennial budget process to reflect any increases or decreases to Base Level is referred to as a Change Level. As in the past, you can continue to group both position and line item needs together in the same Change Level to show total program costs, or request Change Levels in any logical fashion desired to justify changes in your budget.

The Governor's Policy Letter asks that requests for additional resources be kept to an absolute minimum and made only in instances of absolute critical need.

Change Levels also accommodate negative changes to reflect internal reallocation of resources needed to perform new programs within existing funding as stipulated in the Governor's Policy Letter.

Change Level designations for the 2005-2007 biennium are as follows:

- ⇒ **Change Level 1 (C01)** - Change to existing programs (includes new/restored positions)
- ⇒ **Change Level 2 (C02)** - New Programs (includes new/restored positions)
- ⇒ **Change Level 3 (C03)** - Discontinue a program (results in a reduction from base level)
- ⇒ **Change Level 4 (C04)** - Will not be used at this time
- ⇒ **Change Level 5 (C05)** - Will not be used at this time
- ⇒ **Change Level 6 (C06)** - Supplemental Positions or MFG Positions and supporting operations
- ⇒ **Change Level 7 (C07)** - Transfers a program or positions to/from an agency (results in a negative change level in the source agency and a positive change level in the receiving agency)
- ⇒ **Change Level 8 (C08)** - Technology Needs including positions and supporting operations

Important: It is critical that agencies use the C08 designation for all technology-related requests. Such requests must be consistent with the agency Information Technology Plan filed with the Office of Information Technology.

- ⇒ **Change Level 9 (C09)** - Career Ladder Incentive Program (CLIP) Reclassification Requests
- ⇒ **Change Level 10 (C10)** - Regular Reclassification Requests
- ⇒ **Change Level 11 (C11)** - Upgrade/Downgrade Requests
- ⇒ **Change Level 12 (C12)** - Authorized Positions not Requested (should reflect positions not budgeted in agency's FY05 AOP)
- ⇒ **Change Level 13 (C13)** - Position not Recommended (OPM only)
- ⇒ **Change Level 14 (C14)** - Position Title Change
- ⇒ **Change Level 15 (C15)** - Extraordinary Salary Increase Request

For this biennial budget cycle, the decision has been made not to require agencies to perform data entry functions for Change Level requests. All data entry will be done by the DFA - Office of Budget and/or the Office of Personnel Management. OPM will provide Microsoft Excel worksheets with Base Level personnel data (if applicable) and budget reports can be run from the system to obtain Base Level cost center data.

BASE LEVEL SALARIES / MATCHING

Base Level Salaries for classified and non-classified positions include a graduated payplan increase for each year of the Biennium with a **\$600 minimum for employees earning \$20,000 or below**. The calculation is as follows:

\$0 - \$50,000	3.0% of employee's current salary
\$50,001 - \$90,000	3.0% on first \$50,000; plus 1.9% on remaining salary up to \$90,000
\$90,001 and above	3.0% on first \$50,000; plus 1.9% on salary amounts between \$50,001 and \$90,000; plus 1.5% on salary amounts above \$90,001

All salary projections are based on information particular to incumbent employees as extracted from the AASIS HR module files as of March 29, 2004 and reflect adjustments made during the FY05 annual budget process. Budgeted vacant positions will be carried into the next biennium at the Band 1 starting salary for the grade of the position. If a position was budgeted below Band 1 during the FY05 AOP process, the biennial system will apply COLA and verify the salary amount. If that amount is still below Band 1, the system will automatically bring the salary for that position up to the Band 1 amount.

Requests for additional increases above the graduated payplan for non-classified positions will be evaluated by the DFA - Office of Personnel Management (OPM). Procedures for requesting this increase are included in the biennial instructions issued by OPM.

The number of positions budgeted for the 2005 fiscal year for your agency represents the maximum number of positions that can be budgeted in the Base Level.

POSITION DETAIL

In accordance with the Executive Policy Statement, **no new positions should be requested unless a critical situation can be documented and only after sufficient justification is provided to confirm that an internal reallocation of resources would not provide for the new positions.** All new positions requested require that a job questionnaire be completed and forwarded to the DFA - Office of Personnel Management. The OPM Analyst will forward the new position requests to the Office of Budget to enter into PBAS.

⇒ **Miscellaneous Federal Grant Positions**

Although Miscellaneous Federal Grant positions no longer have a unique numbering system, these positions can be identified on AASIS through transaction PA20. A listing of these positions for each Business Area (Agency) will be provided with the initial Base Level reports on June 7,

2004. These positions have been automatically loaded as C06 to begin the biennial process.

Do **NOT** request new positions to replace those previously established by a Miscellaneous Federal Grant. **The existing positions established through the MFG process will be reflected as Change Level C06.** This includes additional MFG position requests submitted with the FY05 Annual Operations Plan for authorization beginning on July 1, 2004 or later. **New federal grant positions and supporting operations that are anticipated for the upcoming biennium should also be requested in a C06.** The amount of appropriation provided for utilization during the interim Miscellaneous Federal Grant process is limited. Agencies should insure that sufficient, but justifiable, appropriation has been requested for the next biennium.

⇒ **Supplemental Emergency Positions**

These positions will be handled in a manner similar to MFG positions. A listing of these positions for each Business Area (Agency) will be provided with the initial Base Level reports on June 7, 2004. Do **NOT** request new positions to replace those previously established as Supplemental Emergency positions. **The existing positions established through the process should be requested as a Change Level C06.**

CAREER LADDER INCENTIVE PROGRAM (CLIP)

A.C.A. 21-5-1101 provides the Career Ladder Incentive Program (CLIP) for state employees. The Career Ladder Incentive Program is defined as “a competency-based pay system which incorporates pay and performance standards and establishes criteria for competency-based promotions and salary adjustments for employees who exhibit effective performance and support the key agency or institution’s goals and objectives.” Detailed information regarding CLIP can be found in the DFA – OPM Biennial Budget instruction packet. It is also suggested that agencies become familiar with the DFA – Office of Personnel Management guidelines for implementing CLIP. Copies may be obtained by contacting the Office of Personnel Management.

UPGRADE / RECLASSIFICATION REQUESTS

While the process accommodates upgrade and/or reclassification requests, the Governor’s Policy Letter strongly discourages such requests, particularly in light of the CLIP program. Biennial salary and matching projections for reclassification and upgrade requests include the appropriate percentage increase. The DFA - Office of Personnel Management will coordinate the position reclassification and upgrade request process and provide separate

instructions to include forms for submitting requests.

CROSSGRADES / DOWNGRADES

All positions are shown at the authorized classification even though the position may have been crossgraded or downgraded. Changes from the authorized level will only be made **by exception**. Agencies may request that crossgrades or downgrades be retained at the lower level. **All requests must be submitted to the DFA - Office of Personnel Management by June 28, 2004.**

INFORMATION TECHNOLOGY

Each agency's IT Plan will identify costs associated with ongoing operations as well as new projects. Agencies are asked to budget their information technology needs consistent with the required Information Technology Plans prepared for OIT. Biennial budget requests for technology should be consistent with the requirements of OIT to identify Support Costs, Radio System Costs, Major Agency Applications, and Projects (enhancements as well as development). **New technology requests must be budgeted in Change Level 08.**

For additional information on preparing the IT Plan for the 2005-2007 biennium, please refer to the separate instructions issued by the Office of Information Technology.

<http://www.oit.state.ar.us>

PROFESSIONAL CONSULTING SERVICES CONTRACTS

A.C.A. §19-11-203(27) and §19-11-1001(5) et. seq., define two types of "services" as they relate to Professional Consulting Services Contracts. The following clarifications have been provided by the DFA-Office of State Procurement to assist agencies in making a determination as to the type of service and method of procurement.

Technical and General Services involve services provided by individuals where performance is evaluated based upon the quality of the work and results produced. Special skills or extensive training is not required. Examples include janitorial service, guard service, transport service, actuary service, certain repair services, lawn care services, Nursing services or waste disposal services. **Expenditure of appropriation for these services would be from Operating Expense (502:00:02).**

Professional and Consultant Services involve services provided by members of a recognized profession and generally include advice, counsel or direct assistance. The Agency has no direct managerial control over the day-to-day activities of the contractor providing the service. Examples include attorneys, architects, accountants, engineers, physicians and technology experts. **Expenditure of appropriation for these services**

would be from Professional Fees & Services (506:00:10).

DFA-Office of State Procurement is in the process of revising certain material codes which may cause items previously charged to Professional Fees & Services (506:00:10) to now be charged against Operating Expense (502:00:02). For further direction or assistance, contact the DFA-Office of State Procurement at 371-6058 or use the link below to access additional information on Professional Consulting Services Contracts.

http://www.arkansas.gov/dfa/purchasing/pcs_procurement.html

EXCEPTION FOR VEHICLE REQUESTS

A.C.A. §22-8-201 et. seq., prohibits agencies from requesting the purchase of vehicles from appropriations funded from General Revenues. For all other appropriations, agencies are allowed to submit a Change Level request for vehicles (including sales tax) in the Capital Outlay Commitment Item (512:00:11). The Office of Administrative Services in the Department of Finance and Administration coordinates General Revenue vehicle purchase requests/replacements. Questions regarding this process may be addressed to Mr. Ron Lester in DFA – Office of Administrative Services at 324-9058.

EXECUTIVE BUDGET HEARINGS

If a hearing is necessary with an Agency, Agency Directors should be prepared to support **all** budget requests. The Agency Request and Executive Recommendation will be presented to the Arkansas Legislative Council/Joint Budget Committee during hearings scheduled to begin in October, 2004.

CAPITAL PROJECTS REQUESTS

Separate instructions will be distributed on June 14, 2004, to state agencies outlining the process for requesting capital improvement projects such as construction, major maintenance, and significant equipment purchases. Discuss any capital improvement requirements with your Budget Analyst so instructions can be sent out as needed. Virtually no funds for capital projects will be available during the next biennium.

WEB SITE

The DFA – Office of Budget Web site can be accessed for an electronic version of these instructions as well as all the forms necessary to complete your 2005-2007 Biennial Budget Request. The Web site may also provide additional information regarding the

budget process on occasion.

For this biennial budget cycle, the Office of Budget requests that care be taken in the use of the various forms to retain existing formatting such as font, font style, font size, other settings and attributes. The forms are intended for the Agency to just enter relevant data in the appropriate areas. All information will be transferred to PBAS. This information will be automated in PBAS for the 2007-2009 biennial budget cycle.

www.accessarkansas.org/dfa/budget

NARRATIVE INSTRUCTIONS

All agencies are required to prepare and submit two narratives to support the 2005-2007 Biennial Budget Request. These are the **Agency History and Organization and Agency Program Commentary**, both are due to the Office of Budget on July 12. The agency is also required to prepare an **Organizational Chart**.

AGENCY HISTORY & ORGANIZATION NARRATIVE

An Agency History and Organization narrative is to be submitted to the Office of Budget for presentation in the biennial budget manuals. The narrative has been automated and must be submitted as a Word document so the information can be easily transferred to PBAS. The narrative should include the following information:

- ⇒ **Enabling legislation** should include the current appropriation act(s) as well as citations of the various laws that authorize the agency's activities
- ⇒ **History and Organization** should include the agency's mission statement as well as a brief discussion of statutory responsibilities, primary activities and affiliation with any oversight and/or advisory Board or Commission
- ⇒ **Organizational Chart** should be prepared by the Agency and submitted in electronic format

AGENCY PROGRAM COMMENTARY

All agencies must submit an Agency Program Commentary. The Commentary should summarize and explain the major parts of an agency's 2005-2007 Biennial Budget Request. The explanation should clearly and concisely identify changes to programs requested by appropriation and funding source. This document provides decision makers the primary source of narrative information regarding an agency's justification and explanation of the Biennial Budget Request. The narrative must be submitted as a Word document so the information can be easily transferred to PBAS.

In the past, the Agency Director's signature in the "Director" block signified acknowledgement and approval of the Agency's Biennial Budget Request. For the 2005-2007 biennial budget cycle, the Agency Director will need to submit a letter indicating knowledge and approval of the final biennial budget request. For the 2007-2009 biennial budget cycle, this information will be automated and allow for on-line approval by the Agency Director.

CHANGE LEVEL JUSTIFICATION BY APPROPRIATION

The Change Level Justification by Appropriation report will detail changes over base level by appropriation/program and funding sources. Agencies are required to provide justification for all Change Level requests. All narratives should be complete and concise. Base Level does not require a narrative. Each Change Level designation in PBAS represents a specific request and although budget requests will be at the cost center level, this report will summarize change levels by appropriation/program and funding sources.

DFA – OFFICE OF CHILD SUPPORT ENFORCEMENT

ENABLING LAWS

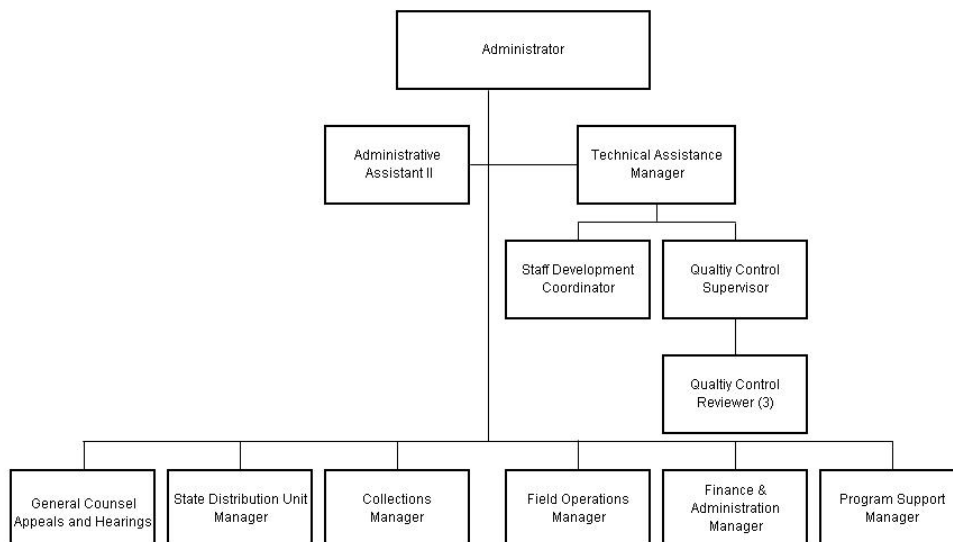
Act 1607 of 2003
AR Code §25-8-107

HISTORY AND ORGANIZATION

In 1975 the Social Security Act was amended by Congress to add part IV-D that established the Child Support Program. In order to receive federal funds for the Aid to Families with Dependent Children (AFDC) Program, each state had to establish and operate a child support program. The Arkansas program began in 1977. The mission of the program is to provide assistance to children and families in obtaining financial and medical support due them by requiring parents absent from the home to assume responsibility for the social and economic well-being of their children.

The program is responsible for locating parents, establishing paternity and orders for child and medical support, collecting and disbursing the support owed and bringing enforcement action when payments are not made. Workers assigned to the agency provide investigative and legal services on cases assigned to the agency, and provide the administrative and managerial support necessary for the organization to properly function. There are approximately 187,000 cases assigned. The cases originate in part from Transitional Employment Assistance (TEA), Medicaid and Foster Care cases referred by the Department of Human Services. During the 2001 - 2003 Biennium, the Office of Child Support Enforcement absorbed the Non-IV-D Wage Withholding cases, approximately 35,000 cases, from the County Clerks Offices around the State. Other cases are established as a result of citizens applying for service. The eligibility criteria for these cases require the custodian to have a minor child in his or her care. The program is authorized for 887 positions.

The Office of Child Support Enforcement (OCSE) is located within the Division of Revenue of the Department of Finance and Administration.



AGENCY COMMENTARY

The Arkansas Office of Child Support Enforcement is responsible for locating absent parents, establishing paternity, establishing orders for child support, collecting, distributing the funds collected to the appropriate case and disbursing the child support funds, and enforcing payment of support orders. Funding for this appropriation consists of a combination of Federal reimbursement, fees for collection services, and the State Central Services Fund. Total Base Level for the agency is \$55,615,441 in FY04 and \$56,304,030 in FY05, with 887 positions authorized for each year. Base level includes a 2.7% payplan increase each year over FY03 Budgeted Levels, with a corresponding increase in matching amounts.

The agency seeks to restore 40 positions, currently authorized but not budgeted due to Personnel Cap Level restrictions. The Office of Child Support Enforcement needs these positions restored to their current authorized level to be able to maintain normal operations. With increased caseloads our number of positions filled continues to climb. Without these positions restored, there would be severe shortages of positions in both the Field Offices and the State Disbursement Unit, which have required more positions due to our increased caseload. The request to restore these 40 positions will be an "appropriation only" request as the positions are currently authorized and covered under existing funding.

The agency also requests to 1) restore \$100,000 of appropriation to our Capital Outlay line item each year. This amount of Capital Outlay is authorized in the current Biennium and is needed in each year of the upcoming Biennium to replace equipment that is beyond repair, equipment that becomes obsolete or equipment that is too expensive to maintain. This request is also "appropriation only" as the current level of funding covers this amount of Capital Outlay in each year of this Biennium and in the Base Level in both years of the upcoming Biennium; 2) the last part of this request is to increase our M&O line item by \$3,000,000 each year of the Biennium and decrease our DP Services Line Item by \$3,000,000 in each year of the Biennium. This part of the request is funding and appropriation "neutral". We make this request due to increased M&O spending with increased caseload and decreased spending in DP Services due to efficiencies covered in our Information Technology Plan for the Biennium.

The Office of Child Support Enforcement requests a reclassification of a Receptionist position (Grade 10) to an Attorney position (Grade 24) in order to better utilize this position. The Receptionist position hasn't been used in some time and the Field Staff is in need of the additional Attorney position to help work with the caseload increase that the Office of Child Support Enforcement has experienced in this Biennium. The request for this reclassification is an "appropriation only" request and will be absorbed into our base funding level in the upcoming Biennium.

DFA – OFFICE OF CHILD SUPPORT ENFORCEMENT[illegible]

EMPLOYMENT SUMMARY INSTRUCTIONS

A.C.A. 19-4-307 requires each state agency to submit the following information for the pre-session budget hearings conducted by the Legislative Council and Joint Budget Committee:

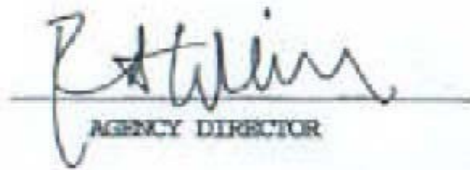
- (1) The total number of persons currently employed;
- (2) The number of white male employees;
- (3) The number of white female employees;
- (4) The total number of white employees;
- (5) The number of black male employees;
- (6) The number of black female employees;
- (7) The number of other employees who are members of racial minorities; and
- (8) The total number of minorities currently employed.

Initial reports will be produced by the Department of Finance and Administration – Office of Personnel Management and distributed to agencies on August 12, 2004. If errors are found, the agency will make corrections to the AASIS Human Resources module and request that the report be rerun. The report with the Director's signature is due to the Department of Finance and Administration – Office of Personnel Management on September 3, 2004.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
EMPLOYMENT SUMMARY
Required by: A.C.A. 19-4-307

AGENCY TITLE: 0611 DPA - ALCOH BEV CONTROL DIV

	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	<u>3</u>	<u>6</u>	<u>9</u>	<u>90%</u>
BLACK EMPLOYEES	<u>0</u>	<u>1</u>	<u>1</u>	<u>10%</u>
EMPLOYEES OF OTHER RACIAL MINORITIES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
TOTAL EMPLOYED AS OF 08/05/2002			<u>1</u>	<u>10%</u>
DATE			TOTAL MINORITIES	
			<u>10</u>	<u>100%</u>
			TOTAL EMPLOYEES	



AGENCY DIRECTOR

CASH FUND BALANCE DESCRIPTION FORM INSTRUCTIONS

A Cash Fund Balance Description form is required in the budget manuals presented to the Committee for every state agency in order to give an accurate account of fund balance amounts, holding locations, statutory restrictions and provisions, necessity and planned expenditures of fund balances for cash funds not held in the State Treasury. The accompanying form has been designed to accommodate this information. The form has been designed to hold two separate fund accounts. Use only half the form if you have one appropriated cash fund account, or use multiple forms if you have more than two appropriated cash fund accounts. The following instructions give general guidelines for the completion of this form for every **appropriated** cash fund account **not held in the State Treasury**.

NOTE: Agencies are strongly encouraged to take advantage of A.C.A. §19-3-518(d). These provisions provide for interest bearing funds that were previously held as cash funds in financial institutions other than the State Treasury to be accounted for in the Arkansas Administrative Statewide Information System (AASIS) and to credit interest earned on the account. Contact your Budget Analyst for further information.

AGENCY NAME:

Insert the name of the state agency, followed by the numeric agency code in parentheses.

CASH ACCOUNT BALANCES:

Insert the cash balance on hand June 30, 2004, as related to each type of financial instrument (e.g., the amount in the agency's checking account and/or savings account(s), and the amount held in each certificate of deposit, money market account, etc.).

TYPE:

Insert the type of financial instrument in which the funds are held, such as CHECKING, SAVINGS, CD, MONEY MARKET, etc.

DESCRIPTION:

Insert the name and location of the financial institution in which the instruments are held.

STATUTORY / OTHER RESTRICTIONS ON USE:

List all relevant Code or regulations that would restrict the use of these funds.

STATUTORY PROVISIONS FOR FEES, FINES & PENALTIES:

List all relevant Code citations or regulations that authorize the setting of the agency's fees, fines, and/or penalties collected and deposited into the fund account. Indicate for each fee, fine, and/or penalty if the amount is set by Code or if a board/commission has authority to set the fee, fine and/or penalty. Further, indicate if a maximum amount has been established that may be collected.

BILLING CYCLE EXPLANATION (REVENUE RECEIPTS CYCLE):

Indicate the time frame in which fees, fines and/or penalties are collected by the agency and deposited into the financial institution. Also, explain the investment practices of the agency (i.e., what determines when certificates of deposits or other types of investments are purchased).

EXPLANATION OF FUND BALANCES:

Explain the agency's plans for the utilization of the existing fund balance or the reason that the retention of the fund balance is necessary. Indicate any requirements/procedures for the fund balance to be turned over to a general revenue fund account or any other State Treasury-held fund account.

**CASH FUND BALANCE DESCRIPTION
AS OF JUNE 30, 2004**

Fund Account	Balance	Type	Location
1300000	\$100,000	Investment	Bank of America
Statutory/Other Restrictions on use:		Fees remitted to State for alcoholic beverage sales permits held until granted or denied.	
Statutory Provisions for Fees, Fines, Penalties:		A.C.A §3-4-101 et seq.	
Revenue Receipts Cycle:		Funds are deposited in bank account as received	
Fund Balance Utilization:		When ABC permit is granted, the fees are remitted to the State Treasury. When permits are denied, half of the fee is remitted to the Treasury and half is returned to the applicant by State Warrant.	

Fund Account	Balance	Type	Location
Statutory/Other Restrictions on use:			
Statutory Provisions for Fees, Fines, Penalties:			
Revenue Receipts Cycle:			
Fund Balance Utilization:			

**OFFICE OF THE
EXECUTIVE CHIEF INFORMATION OFFICER
OFFICE OF INFORMATION TECHNOLOGY**

INFORMATION TECHNOLOGY PLAN

A.C.A. 25-4-110 mandates that all state departments, boards and commissions submit an Information Technology (IT) Plan to the Office of Information Technology (OIT).

The Agency Information Technology Projects Recommended for Oversight form will be completed for each agency that does not submit an IT Plan to OIT for the 2005-2007 biennium.

This form is prepared by the OIT and will be included in the Budget Manuals to identify those agencies in violation of the law.

AGENCY INFORMATION TECHNOLOGY PROJECTS RECOMMENDED FOR OVERSIGHT

STATE AGENCY: STATE AGENCY NAME

AGENCY NUMBER: 0999

AGENCY HEARING DATE: October 12, 2004

<u>PROJECT NAME</u>	<u>TIMEFRAME</u>	<u>FY06 COST/SOURCE OF FUNDS</u>	<u>FY07 COST/SOURCE OF FUNDS</u>
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1.

REASONS FOR OVERSIGHT

- A.
- B.
- C.
- D.

<u>PROJECT NAME</u>	<u>TIMEFRAME</u>	<u>FY06 COST/SOURCE OF FUNDS</u>	<u>FY07 COST/SOURCE OF FUNDS</u>
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2.

REASONS FOR OVERSIGHT

- A.
- B.
- C.
- D.

Office of Information Technology Comments: No Information Technology Plan submitted for the 2005-2007 Biennium.

STATE AGENCY PUBLICATIONS FORM INSTRUCTIONS

A.C.A. §25-1-204 requires a reduction in the number of unsolicited publications prepared, published and distributed by state agencies. Each agency (excluding Institutions of Higher Education) must submit with the annual budget request, a list of state publications, which are required by statutory law and provide the reason(s) for continuation and distribution of the required reports.

The State Agency Publications Form has been automated in PBAS. Information will already be in the system for those agencies that were required to submit the form with their FY05 Annual Operations Plan. Modifications in the information should be coordinated with the Budget Analyst assigned to assist the agency.

Publications

A.C.A 25-1-204

Name	Statutory Authorization	Required for		# Of Copies	Reason (s) for Continued Publication and Distribution
		Governor	General Assembly		
Direct Deposit Form and Instructions	N/A	N	N	5,000	Public information and convenience
Employers Guide to Child Support Laws	N/A	N	N	60,000	Keep employers informed as to state law requirements
Financial Institution Data Match Notebook	N/A	N	N	8,000	Keep financial institutions informed as to law, policy and procedures on liens
Give Your Child a Gift that Lasts a Lifetime	20-18-408 (2) (3)	N	N	8,000	Federal and State law require Hospital based Paternity Acknowledgement Program and issuance of a form and information
Non-TEA Application Packet	N/A	N	N	15,000	Public information and convenience
OCSE Information Guide	N/A	N	N	5,000	Public information and convenience
OCSE Policy Manual	25-15-203	N	N	100	Staff training and public information
Paternity Acknowledgement Brochure	20-18-408(2)	N	N	20,000	Public information and convenience
Paternity Acknowledgement Form	20-18-408 (2) (3)	N	N	15,000	Federal and State law require Hospital based Paternity Acknowledgement Program and issuance of a form and information
Voluntary Paternity Acknowledgement Program of AR	20-18-408 (2) (3)	N	N	15,000	Federal and State law require Hospital based Paternity Acknowledgement Program and issuance of a form and information

REQUEST FOR CHANGE IN FEE SCHEDULE INSTRUCTIONS

If the budget request for the 2005-2007 Biennium requires a change to an agency's fee structure, a request must be submitted for consideration. Requests should only be made for those fees and charges established by law.

NOTE: The Executive Recommendation does not reflect a recommendation for fee increases. Agencies are responsible for securing legislative sponsorship for introduction of legislation required to increase fees.

Agencies should complete the Request for Change in Fee Schedule Form. An example is included here, and the form is available on the DFA - Office of Budget web site or from the Office of Budget. Further, if the requested fee increase will result in additional appropriation or position needs, a budget must be prepared both with the fee increase and without the fee increase. Contact your Budget Analyst for further details. Instructions for completing the form are as follows:

CURRENT FEE STRUCTURE

Description	Describe the fee collected.
Fee Amount	List the amount of each individual fee collected (e.g., cost of a license).
Estimated Receipts	Insert the total estimated collections from all fees in FY05
Authorizing Act or Code Cite	Record the Act or Arkansas Code of 1987 Annotated citation which authorizes the collection of the fee.

PROPOSED CHANGES

Fee Amount	Insert the new proposed amount to be collected for each license or fee.
Estimated Receipts	Record the amount of expected receipts for each fiscal year of the 2005-2007 biennium under the new fee structure.
Reason for Change	Explain and justify the request for the rate adjustment.

Change in Fee Schedule

Description	Fee Amt	Estimated Receipts 2004-05	Authorizing Act or Code Cite	Fee Amt	Estimated Receipts		Reason For Change
					2005-06	2006-07	
Boiler certificate of operation	\$10	\$225,710	20-23-306	\$15	\$338,565	\$338,565	Expenditures are exceeding receipts
Boiler operator license	\$12	\$72,888	20-23-404	\$17	\$102,000	\$102,000	Expenditures are exceeding receipts
Boiler operator examination	\$16	\$9,440	20-23-404	\$25	\$12,500	\$12,500	Expenditures are exceeding receipts

SPECIAL LANGUAGE INSTRUCTIONS

Special Language that provides special authorization or limitations to an agency's fiscal and/or program operations is typically found within an agency's appropriation act. A copy of current Special Language found in the 2003 appropriation acts will be provided to the agency. PBB agencies are encouraged to check current special language for transfer authority between line items, as it is no longer needed.

The Special Language form has been redesigned to reflect current language as well as the agency request in the first column. The agency will request changes to current language in the same "marked-up" format used by the General Assembly in its session bills. The second column will show the Executive Recommendation.

A blank form is available on the DFA - Office of Budget web site or from the Office of Budget for any new language that may be contemplated to complete an agency's fiscal needs for the 2005-2007 biennium. Requests for new language will be shown in the first column and should be underscored in keeping with the "marked-up" format. Text to be ~~deleted must be in strikeout format.~~

An example of marked-up style is attached. Guidelines adopted are as follows:

1. If no change is desired, the language should show no "mark-up" (i.e. exactly as received from the Office of Budget).
2. If the language is to be discontinued, ~~strike through~~ the language in the first column.
3. If a change is desired, underscore the changes/additions and ~~strike through the deletions~~ in the first column.
4. If the language has been codified, insert "LANGUAGE IS CODIFIED IN A.C.A. -----(include actual code cite)" at the top of the first column above the current language.
5. If the language has been codified, but a CHANGE is requested, insert "THIS LANGUAGE IS CODIFIED IN A.C.A. -----(include actual code cite); HOWEVER, THE FOLLOWING CHANGE IS REQUESTED at the top of the first column; Make the requested changes in the first column with NEW LANGUAGE BEING UNDERSCORED and ~~Text to be deleted in strikeout format.~~

All Special Language requests are due to the Office of Budget by July 12, 2004.

2005 – 2007 REQUEST FOR SPECIAL LANGUAGE IN APPROPRIATION ACT

AGENCY: 0634 DFA – Office of Child Support Enforcement

ACT#: 1607

SECTION#: 4

CURRENT SPECIAL LANGUAGE (WITH AGENCY REQUEST)

EXECUTIVE RECOMMENDATION

EXTRA HELP EXEMPTION. Extra Help positions authorized herein are specifically exempt from limitation of hours, either by act or regulation. Provided, however, when a temporary or part-time employee is employed by the Department of Finance and Administration-Revenue Services for a period of time exceeding ~~(7) seven~~ (6) six months, a report of such shall be filed with the Legislative Council. The provisions of this section shall be in effect only from July 1, ~~2003~~ 2005 through June 30, ~~2005~~ 2007.

CERTIFICATION OF INCOME INSTRUCTIONS

For every appropriation requested for the 2005-2007 biennium, funding should be anticipated at a level which will cover each fiscal year of the Biennial Budget Request. Use the following instructions for completing the enclosed form to be returned with the Biennial Budget Request:

Agency	Enter your 4-digit Agency (Business Area) code and title
Appropriation	Enter your 3-digit Appropriation (Funds Center) code and title
Fund	Enter the 3-digit fund code which begins the fund family and the fund name from the 2003 Appropriation Act or a descriptive fund title.
Fund Balance	<p>FY05 reflects the projected beginning fund balance submitted during preparation of the fiscal year's Annual Operations Plan. This figure will be adjusted after July 1st to reflect the actual beginning fund balance for FY05.</p> <p>FY06 and FY07 Fund Balances will be calculated at a later date, based on the actual FY05 beginning fund balance.</p>
Receipts	<p>FY05 reflects the estimated receipts projected by the agency during the preparation of the fiscal year Annual Operations Plan.</p> <p>FY06 and FY07 should be completed for projected receipts collected during each of these fiscal years.</p>

Agencies requesting a fee increase must submit Two Certification of Income Forms: one reflecting receipts based on current fees and one reflecting receipts based on the new requested fees.

The Total Requested for Base Level and all Change Levels must be supported by anticipated funding.

CERTIFICATION OF INCOME FOR DEVELOPMENT OF THE 2005-2007 BIENNIAL REQUEST

Business Area 0634 DFA Office of Child Support Enforcement

Funds Center 120 - Child Support Enforcement Operations

Funding Sources	Fund Title or Description	FY2005 Amount	FY2006 Amount	FY2007 Amount
Fund Balance	Estimated	1,319,684	600,000	600,000
General Revenue	Allotment	13,014,933	13,014,933	13,014,933
Federal Revenue	Title IV-D	37,000,000	39,000,000	40,000,000
Special Revenue				
Revolving Funds				
Cash Funds				
Other	Child Support Fees, Retained Earnings, etc.	8,000,000	9,000,000	9,000,000
Other				
Other				
Other				
Other				
TOTAL ESTIMATED FUNDING		\$ 59,334,617	\$ 61,614,933	\$ 62,614,933

AGENCY DIRECTOR

DATE

